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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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In re: : Case No. 25-80002-SGJ  
:   
Prospect Medical Holdings, Inc., et al.,<sup>1</sup> : Chapter 11

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<sup>1</sup> A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors' mailing address is 3824 Hughes Ave., Culver City, CA 90232.

Debtors. : (Jointly Administered)  
: Re: Docket Nos. 1571 & 1793

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**SUPPLEMENTAL CURE OBJECTION TO NOTICE OF (I) POTENTIAL ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (II) CURE AMOUNTS**

Change Healthcare Inc. (“CHC”), Change Healthcare Technologies, LLC (“CHCT”), Change Healthcare Technology Enabled Services, LLC (“CHCTES,” together with CHC and CHCT, “Change”), National Decision Support Company (“NDSC”), OptumCare Holdings, LLC (“OptumCare”), Optum360, LLC (“Optum360”), Optum Health Care Solutions, LLC (“Optum Health”), Optum Infusion Services 500, Inc. (“Optum Infusion,” together with OptumCare, Optum360, and Optum Health, “Optum”), UnitedHealthcare Insurance Company (“UHC”), UHC of California (“UHCA”), UnitedHealthcare Benefits Plan of California (“UHCBCPA”), UnitedHealthcare of New England, Inc. (“UHCNE”), United Behavioral Health, Inc. (“UBH,” and together with UHC, UHCA, UHCBCPA, and UHCNE, “United”, and together with Change, Optum, and NDSC and all of their Affiliates<sup>2</sup>, “UHG”) hereby submit this supplemental objection (this “Supplemental Objection”) to the *Notice of (I) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (II) Cure Amounts* dated April 18, 2025 (the “Cure Notice”) [Docket No. 1571] filed by Prospect Medical Holdings, Inc. (“Prospect”) and its affiliated co-debtors (collectively, the “Debtors”) in connection with one or more sales of all or substantially all of the Debtors’ CA Assets and CT Assets (both as defined in the Cure Notice).

On May 2, 2025, UHG filed its *Cure Objection to Notice of (I) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (II) Cure Amounts* (the “UHG Cure Objection”) [Docket No. 1793], objecting to the Cure Notice because: (1) the Cure Notice fails to

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<sup>2</sup> As such term is defined in the Supplemental Agreements (defined below).

correctly state the cure amounts for the referenced UHG contracts; and (2) the information provided in the Cure Notice is insufficient to allow UHG to identify all of the underlying agreements that the Cure Notice may implicate. UHG, while maintaining its objection, has continued to work in good faith with the Debtors and, as a result, has identified additional contracts that may be subject to possible assumption and assignment in connection with the proposed sale transactions. As such, UHG seeks to supplement its objection to incorporate these additional contracts and additional invoices issued after the filing of the UHG Cure Objection.<sup>3</sup>

UHG<sup>4</sup> hereby incorporates by reference the UHG Cure Objection, and further supplements it as follows:

## **I. SUPPLEMENTAL BACKGROUND AND OBJECTION**

### **A. Supplemental Agreements Related to the CT Sale Transaction**

1. In connection with the CT Sale Transaction (as defined in the Cure Notice), the Debtors have listed several Potentially Assigned CT Agreements (as defined in the Cure Notice) by and between certain Debtors and UHG that either solely implicate Connecticut entities or that implicate the entire debtor enterprise or other affiliated entities. (*See Docket No. 1571-3, pp. 90–91 of 100 lines 2996–3040, 3045; Docket No. 1571–4, p. 16 of 17 lines 551–55.*)

2. In the UHG Claim Objection, UHG objected, in part, on the basis that it was unable to identify its agreements based upon the information provided in the Cure Notice relating to the CT Sale Transaction. While UHG maintains this objection, since filing the UHG Cure Objection and with Debtors' cooperation, UHG has become aware of additional agreements that may be

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<sup>3</sup> UHG reserved its right to supplement its objection with additional contracts in paragraph 22 of the UHG Cure Objection: "UHG reserves all rights to supplement this objection to add contracts that may later be identified."

<sup>4</sup> UHG's fully insured plans and the third-party self-insured plans administered by UHG (together and separately) are referred to herein as being United health plans, with their members referred to as being United's members.

subject to possible assumption and assignment in connection with the CT Sale Transaction.

3. Thus, to the best of UHG's knowledge, it is only aware of the following agreements associated with the following Debtors that would be subject to possible assumption and assignment in connection with the CT Sale Transaction (in addition to those agreements already listed in the UHG Cure Objection):

- a. Prospect ECHN Home Health, Inc., also known as Visiting Nurse & Health Service of CT, ("ECHN HH Debtor") and UHIC on behalf of itself, UHNE, and its Affiliates are parties to a Facility Participation Agreement with an effective date of April 1, 2020 (as amended from time to time, the "ECHN HH FPA"), by which ECHN HH Debtor is a network provider with UHIC, UHNE, and its Affiliates for Visiting Nurse & Health Services of CT (the "ECHN HH Facility");
- b. Prospect Waterbury Home Health, Inc. d/b/a VNA Health at Home ("Waterbury HH Debtor") and UHIC on behalf of itself, UHNE, and its Affiliates are parties to a Facility Participation Agreement with an effective date of October 1, 2012 (as amended from time to time, the "Waterbury HH FPA"), by which Waterbury HH Debtor is a network provider with UHIC, UHNE, and its Affiliates for VNA Health at Home (the "Waterbury HH Facility"); and
- c. Prospect CT Medical Foundation, Inc. ("CT Foundation Debtor") and UHIC on behalf of itself, UHNE, and its Affiliates are parties to a Medical Group Participation Agreement, with an effective date of March 15, 2017 (as amended from time to time, the "CT Foundation MGPA", and together with the ECHN HH FPA and the Waterbury HH FPA, the "Supplemental Agreements"), by which CT Foundation Debtor is a network provider with UHIC, UHNE, and its Affiliates for

Prospect CT Medical Foundation (the “CT Foundation Facility”, and together with the ECHN HH Facility and Waterbury HH Facility, the “Supplemental Facilities”).

4. Pursuant to the Supplemental Agreements, the Debtors agreed to provide certain covered medical services to UHG’s members, in exchange for certain fees. In connection with paying claims submitted by the Debtors under the Supplemental Agreements, UHG may periodically overpay a claim for a variety of reasons. Indeed, generally under the Supplemental Agreements, UHG has up to twelve months (and longer under certain circumstances) to identify overpayments. Once UHG identifies an overpayment, UHG has the right to be reimbursed by the respective Debtor for such overpayments through payment or offset.

5. A summary chart describing the status of overpayments for the Supplemental Facilities as of April 23, 2025, is set forth below.

| Facility               | Outstanding Overpayments as of April 23, 2025 |
|------------------------|---|
| ECHN HH Facility       | \$3,854.40                                    |
| Waterbury HH Facility  | \$565.00                                      |
| CT Foundation Facility | \$11,161.19                                   |

6. Additional detail for the overpayments for the Supplemental Facilities is attached hereto as Exhibits A, B, and C, respectively.<sup>5</sup>

**B. Inability to Identify All Potential Contracts from Cure Notice**

7. UHG still maintains that, due to the lack of detail provided in the Cure Notice, including the lack of clear references to the underlying agreements, UHG cannot identify from the

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<sup>5</sup> Members’ protected health information and UHG’s confidential and proprietary information have been removed from these exhibits. The Debtors should have a full copy of the explanation for the overpayments and an unredacted copy can be provided to the Debtors upon request and to the Court for an *in camera* review, if necessary.

Cure Notice the entire scope of contracts the Debtors wish to assume and assign. UHG will continue to work in good faith with the Debtors to identify the contracts and relevant amendments that the Debtors wish to assume and assign to the Successful Bidder(s) (as defined in the Bidding Procedures), and UHG still reserves all rights to further supplement the UHG Cure Objection to add contracts that may later be identified.

### **C. Supplemental Cure Amounts**

8. In addition to the above overpayment amounts for the Supplemental Facilities, UHG has identified additional amounts that have accrued under certain of the Agreements (as defined in the UHG Cure Objection).

9. A summary of the total amounts due (including amounts previously outlined in the UHG Cure Objection) under the Agreements (as defined in the UHG Cure Objection) and the Supplemental Agreements is set forth below:

| <b>Agreement</b>   | <b>Amount</b>  |
|--|----------------|
| Change Agreements <sup>6</sup>   | \$1,113,300.27 |
| NDSC Agreements  | \$268,121.36   |
| Optum Agreement  | \$1,597,500.00 |
| United Agreements (as defined in the UHG Cure Objection and including the Supplemental Agreements) | \$1,311,012.09 |

## **II. CONCLUSION**

UHG incorporates all of the UHG Cure Objection by reference, including its right to further supplement the UHG Cure Objection, and respectfully requests that the Court enter an order (i) requiring the payment of the amounts outstanding under the agreements as described herein as part

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<sup>6</sup> The additional amounts due under the Change Agreements are related to two post-petition invoices attached hereto as **Exhibit D** and issued in connection with that certain Adoption Agreement No. P202410075004, by which the Master Relationship Agreement No. MRA202410068556 between Alta Hospitals System, LLC and Change was adopted and that certain solution order, dated May 8, 2024, which were incurred subsequent to the filing of the UHG Cure Objection.

of the cure of defaults under 11 U.S.C. § 365(b), (ii) requiring the Debtors to further revise and describe the contracts designated on the Cure Notice with UHG as the counterparty for which UHG has been unable to identify and provide a reasonable time for UHG to further supplement this cure objection to include any amounts due thereunder, and (iii) granting such further relief as the Court deems appropriate.

Dated: May 30, 2025

By: /s/ Rachael L. Smiley

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*UnitedHealthcare of New England, Inc., and  
United Behavioral Health, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that on May 30, 2025, a copy of foregoing was filed electronically and a notice of this filing sent by e-mail to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's CM/ECF System. In addition, a copy of the foregoing was served on the parties listed below by the method indicated below.

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*/s/ Rachael L. Smiley*  
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